

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MINNESOTA

In re:

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| Magnetation LLC, | Case No. 15-50307 |
| Debtor. | Chapter 11 Case |
| Mag Lands, LLC, | Case No. 15-50308 |
| Debtor. | Chapter 11 Case |
| Mag Finance Corp., | Case No. 15-50309 |
| Debtor. | Chapter 11 Case |
| Mag Mining, LLC, | Case No. 15-50310 |
| Debtor. | Chapter 11 Case |
| Mag Pellet LLC, | Case No. 15-50311 |
| Debtor. | Chapter 11 Case |

DECLARATION OF RELATEDNESS OF CHAPTER 11 CASES

1. I am the Chief Financial Officer of Magnetation LLC (“**Mag LLC**”) and an executive officer of each of Mag Lands, LLC, Mag Finance Corp. (“**Mag Finance**”), Mag Mining, LLC and Mag Pellet LLC (together with Mag LLC, collectively, the “**Debtors**”). I submit this declaration to comply with paragraph 3 of the Instructions for Filing a Chapter 11 Case in the United States Bankruptcy Court for the District of Minnesota.

2. On May 5, 2015, the Debtors each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Minnesota.

3. All of the Debtors are related entities. Mag LLC is the parent company of each of the other Debtors. Thus, each of the Debtors are affiliates (as that term is defined in 11 U.S.C. § 101(2)) of the other Debtors.

4. Mag LLC, as borrower, and all of the other Debtors, as guarantors, are parties to (i) that certain \$65.0 million credit agreement, dated as of May 20, 2013 (as modified by

amendments dated as of July 11, 2014, December 15, 2014 and April 17, 2015), with JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto and (ii) that certain \$3.8 million credit agreement, dated as of April 17, 2015, with Wilmington Trust, National Association, as administrative agent, and the lenders party thereto.

5. In May 2013, Mag LLC and Mag Finance issued \$325.0 million of 11.0% senior secured notes due 2018 (the “**Senior Secured Notes**”), and in July 2014, Mag LLC and Mag Finance issued a tack-on offering of \$100.0 million of Senior Secured Notes under the same indenture. The Senior Secured Notes are guaranteed by each of the other Debtors.


6. The Debtors utilize common bank accounts as part of their unified cash management system, which is centrally administered on behalf of all the Debtors.

7. The Debtors intend to file an expedited motion for joint administration of their chapter 11 cases.

[Signature page follows]

I declare under penalty of perjury that the information contained in this declaration is true and correct according to the best of my knowledge, information and belief.

Dated: May 5, 2015



Joseph A. Broking
Chief Financial Officer